

Message Text

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PAGE 01 BRUSSE 03642 01 OF 02 241525Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 PRS-01 SP-02 USIA-06 TRSE-00 SAJ-01

EB-07 MC-02 SS-15 NSC-05 EURE-00 /070 W

----- 029453

P R 241424Z APR 75

FM AMEMBASSY BRUSSELS

TO SECDEF WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 3736

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY THE HAGUE

CSAF WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 BRUSSELS 3642

DEPT. OF DEFENSE FOR ISA; CHIEF OF STAFF - AIR FORCE; DSAA;
OGC; SAFIL

E.O. 11652: GDS

TAGS: MASS, BE

SUBJECT: MULTINATIONAL FIGHTER PROGRAM DISCUSSIONS

1. DOD TEAM HAS HAD TWO JOINT MEETINGS WITH THE TWO
SUBCOMMITTEES ON LEGAL AND MANAGEMENT MATTERS ESTABLISHED
BY THE STEERING COMMITTEE. THE TWO SUBCOMMITTEES ARE WORKING
ON THE DETAILS OF AN MOU BETWEEN THE FOUR EUROPEAN COUNTRIES,
AND MOU BETWEEN THE US AND THE EUROPEAN PARTICIPATING GOVERNMENTS
AND THOSE ISSUES CONCERNING AN INTEGRATED MANAGEMENT
ORGANIZATION TO CONTROL THE MULTINATIONAL PROGRAM.

2. THE STEERING COMMITTEE TABLED A EUROPEAN VERSION
OF A PROPOSED MOU BASED ESSENTIALLY ON THE US
10 JANUARY DRAFT VERSION. DOD TEAM REFUSED TO BE DRAWN INTO
AN IMMEDIATE ASSESSMENT OF EUROPEAN DRAFT BUT UNDERTOOK
TO SUBMIT A REVISED US DRAFT AFTER NOTING EUROPEAN
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PAGE 02 BRUSSE 03642 01 OF 02 241525Z

DESIRES AND INCORPORATING SUCH CHANGES AS CONSIDERED

ACCEPTABLE TO US.

3. DOD DELEGATION RE-TABLED A REVISED US MOU DRAFT ON 23 APRIL AND AFTER EXTENSIVE DISCUSSION, LASTING ALMOST TO MIDNIGHT, DELEGATIONS GOT THROUGH AS FAR AS SECTION B. PLAN IS TO PROCEED WITH MOU AIMING TO COMPLETE WORK ON IT NLT 24 APRIL.

4. STEERING COMMITTEE HAS NOW MADE IT CLEAR THAT EUROPEANS WILL NOT RPT NOT BE ABLE TO COMMIT THEMSELVES TO SIGNING LETTER OF OFFER BEFORE 15 MAY DROP DEAD DATE. ALSO, IT IS CLEAR THAT THEY WILL NOT RPT NOT ACCEPT A SINGLE LETTER OF OFFER INSTEAD WISHING FOR INDIVIDUAL NATIONAL LETTERS OF OFFER.

5. WE HAVE HAD NO OPPORTUNITY, YET TO TAKE UP LETTER OF OFFER, WE ARE BEING PRESSED HARD TO PROVIDE SPECIFIC DETAILS OF QUOTE HOW MUCH, HOW MANY, WHEN, AND SPECIFIC PERFORMANCE/CONFIGURATION SPECIFICATIONS. UNQUOTE. OBVIOUS THAT STEERING COMMITTEE IS IRRITATED BY DOD DIFFICULTY TO DEFINE IN DETAIL AS OF NOW ALL THESE ELEMENTS.

6. DOD DELEGATION IS BEING ASKED TO FORMULATE FOR IMMEDIATE TABLING A DRAFT LETTER OF INTENT DESIGNED TO BRIDGE QUESTIONS ASKED IN PARAS 4 AND 5.

7. IT APPEARS THAT STEERING COMMITTEE FEELS IT POSSIBLE THAT MINISTERS COULD ACCEPT SUITABLE LETTER OF INTENT AS OBLIGATING DOCUMENT BY 15 MAY LEAVING LETTER OF OFFER FOR LATER SIGNING BUT DESIRING TO SIGN MOU AT SAME TIME.

8. STEERING COMMITTEE INSISTED THAT DOD DELEGATION BE PREPARED TO TABLE A DRAFT LETTER OF INTENT NLT 24 APRIL. WORK TO ACCOMMODATE PROCEEDS BUT SINCE STEERING COMMITTEE IS DEMANDING SPECIFIC ANSWERS TO QUESTIONS NOTED IN PARA 6 BE EMBODIED IN LETTER OF INTENT WE MAY BE OBLIGED TO SEEK WASHINGTON GUIDANCE BEFORE LEAVING BRUSSELS.

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PAGE 03 BRUSSE 03642 01 OF 02 241525Z

9. STEERING COMMITTEE EMPHASIZED THAT IN FIERCE COMPETITION EUROPEANS CANNOT BUY QUOTE DESIGN OBLIGATIONS UNQUOTE. WHICH ARE TARGETS FOR PERFORMANCE WITH NO ABSOLUTE QUARANTEE RPT GUARANTEE OF BEING REACHED IN OPERATIONAL AIRCRAFT VERSION. THEY DEMANDED THAT WE GUARANTEE A LEVEL OF PERFORMANCE AGAINST QUOTE YOUR NOT TO EXCEED PRICE QUARANTEED UNQUOTE. STEERING

COMMITTEE CONSIDERS DOD INSISTENCE ON STICKING WITH ESTIMATED NTE AS STILL UNSATISFACTORY. ALTHOUGH WE KNOW THAT STEERING COMMITTEE UNDERSTANDS FULLY, USG INABILITY TO QUOTE GUARANTEE UNQUOTE THE NTE, REALITY OF SITUATION VIS-A-VIS FRENCH IMPOSES ON STEERING COMMITTEE A CONTINUOUS NEED TO PRESS DOD ON THIS ASPECT.

10. IT IS NO SURPRISE TO US THAT THE FRENCH ARE TO BE IN TOWN ON TUESDAY FOR SIMILAR DISCUSSIONS. STEERING COMMITTEE IS ANXIOUS TO DISPOSE OF ALL OUTSTANDING US LOOSE ENDS ASAP. HENCE WE FEEL IT PRUDENT THAT DOD DELEGATION BE PREPARED TO STAY ON AS LONG AS NECESSARY POSSIBLY EVEN INTO NEXT WEEK.

11. DRAFT LETTER OF INTENT WITHOUT ANNEXES IS QUOTED BELOW. REQUEST COMMENTS ASAP BUT NLT 25 APRIL.

QUOTE ----- LETTER OF INTENT

(1) THE MINISTERS OF DEFENSE ON BEHALF OF THEIR GOVERNMENTS, HEREBY DECLARE THEIR MUTUALLY AGREED DECISION TO PROCURE FROM THE GOVERNMENT OF THE UNITED STATES, REPRESENTED BY ITS SECRETARY OF DEFENSE, THE UNITED STATES AIR FORCE F-16 AIR COMBAT FIGHTER.

(2) THE MINISTERS OF DEFENSE DECLARE FURTHER THAT IT IS THEIR INTENTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE U.S. DEPARTMENT OF DEFENSE COVERING THE MULTINATIONAL FIGHTER PROGRAM AND TO SIGN NO LATER THAN ----- A LETTER OF OFFER AND ACCEPTANCE, DOD FORM 1513.

(3) THE MINISTERS OF DEFENSE FURTHER AGREE TO COMMIT THEIR RESPECTIVE GOVERNMENTS TO INDIVIDUALLY
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PAGE 04 BRUSSE 03642 01 OF 02 241525Z

PURCHASE THE FOLLOWING NUMBERS OF AIRCRAFT:

BELGIUM-
DENMARK-
NETHERLANDS -
NORWAY-

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NNN

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PAGE 01 BRUSSE 03642 02 OF 02 241639Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 PRS-01 SP-02 USIA-06 TRSE-00 SAJ-01

EB-07 MC-02 SS-15 NSC-05 EURE-00 /070 W

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P R 241424Z APR 75

FM AMEMBASSY BRUSSELS

TO SECDEF WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 3737

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY THE HAGUE

CSAF WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 BRUSSELS 3642

DEPT. OF DEFENSE FOR ISA; CHIEF OF STAFF- AIR FORCE; DSAA;
OGC; SAFIL

(4) ANNEXED AS ATTACHMENT NO. 1 IS THE PROPOSED
PROGRAMMED AIRCRAFT PRICE FOR 348 AIRCRAFT,
BROKEN DOWN INTO INDIVIDUAL COUNTRY COST ESTIMATES.

(5) ANNEXED AS ATTACHMENT NO. 2 IS A PROPOSED
PAYMENT SCHEDULE COVERING THE FIRST THREE (3)
YEARS OF THIS MULTINATIONAL FIGHTER PROGRAM.

(6) ANNEXED AS ATTACHMENT NO. 3 ARE THE SPECIFICATIONS
AGAINST WHICH THE PRICE DATA IN ANNEX 1 ARE TRELEVANT.

(7) ANNEXED AS ATTACHMENT NO. 4 ARE THE PROPOSED
DELIVERY SCHEDULES.

(8) IN ORDER TO PERMIT THE UNITED STATES AIR FORCE
TO PROCEED IMMEDIATELY WITH THE PURCHASE OF LONG
LEAD TIME ITEMS, THE GOVERNMENTS CONCERNED HEREBY
INDIVIDUALLY AUTHORIZE THE UNITED STATES AIR FORCE
TO SIGN CONTRACTS ON THEIR BEHALF WITH THE UNITED
STATES PRIME CONTRACTORS (GENERAL DYNAMICS AND
PRATT AND WHITNEY), AND THEREBY TO OBLIGATE AND
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PAGE 02 BRUSSE 03642 02 OF 02 241639Z

EXPEND UP TO THE SUM OF \$----- FOR THIS
PURPOSE.

(9) THE FOUR GOVERNMENTS CONCERNED HAVE NOW
ENTERED INTO THIS MULTINATIONAL FIGHTER PROGRAM

WITH THE FIRM INTENTION OF CARRYING THROUGH
FULLY THE COOPERATIVE PROGRAM OF PURCHASING 348
AIRCRAFT, TO COMPLETION. IF, HOWEVER, ANY ONE OR
MORE OF THE GOVERNMENTS CONSIDER IT NECESSARY TO
DISCONTINUE PARTICIPATION, PRIOR TO SIGNATURE OF
THE LETTER OF OFFER AND ACCEPTANCE, DOD FORM 1513,
THEN AND IN THAT EVENT THE OBLIGATIONS ENTERED
INTO BECOME NULL AND VOID, EXCEPT FOR ALL
APPLICABLE TERMINATION COSTS ACCRUED AS A RESULT
OF SUCH WITHDRAWAL. THE REMAINING GOVERNMENTS
AND THE GOVERNMENT OF THE UNITED STATES SHALL
IMMEDIATELY THEN CONSULT ON THE CONSEQUENCES OF
SUCH WITHDRAWAL.

(10) THE FOUR GOVERNMENTS CONCERNED INDIVIDUALLY
HEREBY AGREE TO PAY ALL TERMINATION COSTS WHICH
MAY RESULT AS A CONSEQUENCE OF ITS WITHDRAWAL FROM
THE PROGRAM AND NOT SIGNING A LETTER OF OFFER AND
ACCEPTANCE DOD FORM 1513 BY THE ABOVE DATE
DATED:----- 1975

MINISTER OF DEFENSE OF THE GOVERNMENT OF BELGIUM

MINISTER OF DEFENSE OF THE GOVERNMENT OF DENMARK

MINISTER OF DEFENSE OF THE GOVERNMENT OF THE
NETHERLANDS

MINISTER OF DEFENSE OF THE GOVERNMENT OF NORWAY

SECRETARY OF DEFENSE OF THE GOVERNMENT OF THE
UNITED STATES

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PAGE 03 BRUSSE 03642 02 OF 02 241639Z

UNQUOTE -- END LETTER OF INTENT

12. WE FEEL THAT DISCUSSIONS TO DATE IN MOU HAVE
BEEN MOST USEFUL AND THAT MEANINGFUL AND
PRODUCTIVE PROGRESS IS BEING MADE. ALSO PROGRESS IS
BEING MADE ON DETAILS OF ANNEXES FOR THE LETTER OF
INTENT. AT CONCLUSION OF APRIL 24 MEETING, WE WILL
PROVIDE WASHINGTON WITH THOSE QUOTE HARD AND APPARENTLY
IRRECONCILABLE UNQUOTE ISSUES, IF ANY. FIRESTONE

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NNN

Message Attributes

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Disposition Reason:
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